

**Testimony of
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Washington, DC**

**For the
Corporation for Public Broadcasting
FY 2005 Appropriations Hearing
before the
Subcommittee on Labor, Health and Human Services,
Education and Related Agencies**

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Summary of Budget Requests Fiscal Years 2005 and 2007

FY 2007 Regular CPB Appropriations

The Corporation for Public Broadcasting (CPB) requests a \$410 million advance appropriation for Fiscal Year (FY) 2007. This \$10 million increase over the FY 2006 appropriation of \$400 will be apportioned under the CPB statutory formula that specifies the breakdown of the CPB funding (see Appendix C for formula). The increase will be critical in supporting stations during a time of continuing financial difficulty due to cutbacks in state and local funding, flat and declining revenues, and increases in costs. Additionally, public television stations are being required to broadcast both an analog and a digital signal for an indeterminate amount of time. This dual operation is generating increased costs to stations and the system that are reflected in CPB's request. In FY 2007, public radio will also be in the midst of its transition to digital transmission.

FY 2005 Digital Request

As discussed in detail in Section II, in addition to CPB's regular advance appropriation request for FY 2007, CPB is requesting \$50 million in FY 2005 for the conversion to digital technology. These funds are essential to cover the substantial costs associated with the basic infrastructure requirements necessary to meet the Federal Communication Commission's (FCC) deadline for television's transition, and to engage in research and development of new digital multicast and datacast service applications. In addition, the public radio system will be in the midst of its digital transition, with increased funding needed for equipment to ensure the success of radio's transition.

FY 2005 Interconnection Request

For FY 2005, CPB is requesting \$115 million, out of a total level of \$177 million, to fund the replacement of the current interconnection system for public television. As discussed in detail in Section III, these funds will be used to pay for the developmental and capital costs of the Next Generation Interconnection System (NGIS). The interconnection system is the means by which the Public Broadcasting Service (PBS), regional distributors, and other entities distribute programming material to the public television community. The scheduled expiration of the satellite leases necessitates a replacement and provides an opportunity to develop a system that will be more efficient and compatible with new digital services.

Annual Funding History, FY 2003 through FY 2007

| (\$ in millions) | FY 2003 Actual | FY 2004 Actual | FY 2005 Administration Request | FY 2005 CPB Request | FY 2006 Actual | FY 2007 CPB Request |
|--------------------------------|--------------------|--------------------|-----------------------------------|----------------------------|----------------------------|------------------------|
| CPB regular appropriations | 362.8 ¹ | 377.8 ¹ | | 390 ¹ actual | 400 ¹ actual | 410 |
| CPB digital | 48.4 ² | 49.7 ² | 0 ³ | 50 | | |
| CPB Television Interconnection | | 9.94 ² | 0 ³ | 115 | | |

¹FY 2003 advance appropriation of \$365 million was provided in P.L. 106-554, but Congress later rescinded 0.65% of all FY 2003 funding in P.L. 108-7; FY 2004 advance appropriation of \$380 million was provided in P.L. 107-116, but Congress later rescinded 0.59% of all FY 2004 funding in P.L. 108-199; FY 2005 advance appropriation provided in P.L. 108-7. FY 2006 advance appropriation provided in P.L. 108-199.

² FY 2003 digital appropriation of \$48.7 million was provided in P.L. 108-7 but was subject to 0.65% cutback on all FY 2003 funding; FY 2004 digital appropriation of \$50 million was provided in P.L. 108-199 but was subject to 0.59% cutback on all FY 2004 funding; and, the FY 2004 interconnection appropriation of \$10 million provided in P.L. 108-199 was also subject to the 0.59% cutback.

³ The Administration proposes that out of CPB's \$390 million advance appropriation for FY 2005, up to \$20 million be used for the digital transition, and up to \$75 million be used for television's Next Generation Interconnection System.

Thank you, Mr. Chairman. I appreciate the opportunity to appear along with my colleagues before this subcommittee to discuss the Corporation for Public Broadcasting's funding requests.

Today's testimony will be my last before this subcommittee: On July 1, I will step aside as president and CEO of CPB. I will be succeeded by my colleague and friend, CPB's chief operating officer, Kathleen Cox, who is also here today. She is looking forward to continuing the lively discussion about the role and mission of public broadcasting in which you and I, Mr. Chairman, have been engaged.

I've greatly enjoyed the give-and-take, and deeply appreciate the courtesy and counsel that you and your colleagues have extended to me personally and to public broadcasting in general. I'd especially like to thank the clerks – Meg Thompson and Cheryl Smith – who have helped us immeasurably.

CPB is requesting \$410 million in advance appropriations for FY 2007 to support the work of the more than 1,000 public broadcasting stations that serve virtually every community in the country. In addition, we request \$50 million in FY05 to assist the stations' transition to digital technology and \$115 million for the next phase of public TV's interconnection, which CPB, by law, is required to fund.

I know my colleagues from NPR and PBS will talk about how those dollars help their organizations provide the quality programming and services audiences have come to expect and appreciate. To put all this in context, however, I'd like to focus on the other end of the pipeline – on the local stations, the local communities, and the local institutions with which CPB is increasingly engaged.

The Public Broadcasting Act describes public television and radio stations as "valuable community resources" that can help address local concerns. Today, in an age of media consolidation, these locally owned and operated stations are even more valuable contributors to community life. They serve needs that commercial broadcasters do not address.

In Mississippi, the state with the nation's highest rate of blindness, Mississippi Public Radio offers free, 24-hour radio reading services for the blind, featuring on-the-air readings of 70 local and national newspapers and magazines.

In Pennsylvania – which is second only to Florida in the percentage of its population that is over 65 – WVIA in Scranton operated a local phone bank during the national broadcast of *The Forgetting*, and followed the broadcast with a local production – “Call the Doctor” – which offered callers a chance to talk with local physicians about where to get local help with Alzheimer's.

And in Ohio, Channel 45 and 49's *Act of Duty* reflected on the impact of battle experiences on more than a dozen northeastern Ohio veterans. The station produced the documentary and its associated Web site and teaching materials, in response to local interest, particularly from teachers who were looking for Veterans Day materials.

Public broadcasters are well aware of their importance in community life. Last spring, local stations told us that they liked our plans to improve public television finances – but what they really wanted to improve was their local service. CPB responded by launching a research effort designed to better understand the meaning and viability of local service in today's changing technological, demographic and economic landscape. Yet even as we await those results, we have projects underway to improve current operations and to test the outlines of new approaches.

For example, last month, in connection with the annual meeting of the National Educational Telecommunications Association, CPB sponsored an Education Leadership Academy – a “school” in which station general managers learned from teachers and school administrators about building public television education programs that meet the needs of today's classroom teachers and school systems. Participants returned to their communities with a view from the other side of the blackboard – prepared to work more collaboratively with educators and create materials that truly serve teachers and children.

CPB is working with the Institute of Museum and Library Services – which of course is funded through this subcommittee – to create new collaborations among public broadcasters, libraries and museums. By helping learners of any age link up with a vastly expanded network of resources, our joint goal is to respond to specific community needs, produce public benefit, and promote civic engagement.

Public broadcasters can help to meet another pressing community need, one that has significant economic impact – the need for an educated, skilled workforce. A large portion of the American population remains below the literacy standards for its age grouping. Nearly half of American adults, many of whom have recently immigrated to our country, lack the necessary literacy skills to become involved parents and informed citizens. Now CPB is assisting Kentucky Educational Television in a new initiative, *Ready to Work*. Modeled on the successful *Ready to Learn* program, *Ready to Work* will focus on using technology and telecommunications to offer adults greater opportunities to gain workplace skills, improve their literacy, or learn English.

Much like you, Mr. Chairman, CPB has limited discretionary budget authority; by law, the great majority of our spending is earmarked to support the 1,000 local stations. So we understand the importance of setting priorities. Within these limits, we have set ourselves two specific tasks: to help stations improve their financial performance and to help them improve the quality and effectiveness of their local services.

This goes to the heart of our public service, and I'm optimistic about our prospects for success.

We hope today to highlight for you the important federal role in this effort. Again, my thanks for all the support you have provided to public broadcasting. I will, of course, be happy to respond to any questions you may have.

Robert T. Coonrod

Robert T. Coonrod was appointed President and CEO of the Corporation for Public Broadcasting (CPB) by the CPB Board of Directors on October 1, 1997. He served as the Corporation's executive vice president and chief operating officer from December 1992. CPB is the private, nonprofit entity created by Congress to develop noncommercial telecommunications services for the American people.

Under Mr. Coonrod's leadership CPB has increased its efficiency, effectiveness and productivity by streamlining its operations and reducing costs. Mr. Coonrod and CPB foster the concept of public service media. They encourage partnerships between public broadcasters and community institutions in an effort to address the goals of education, diversity and an agenda to help position public broadcasting for the future.

Prior to joining CPB, Mr. Coonrod was deputy managing director of the Voice of America (VOA), the global radio and television network. He oversaw VOA, the Office of Cuba Broadcasting (both Radio and TV Marti), and Worldnet Television and Film Service as well as technical operations, programming and budget.

Mr. Coonrod joined the United States Information Agency (USIA) in 1967, serving as a Foreign Service officer in Italy and Yugoslavia. He has also held senior positions in USIA's Bureau of Educational and Cultural Affairs.

Mr. Coonrod graduated from Fordham University in 1966. He has also studied Arabic, Italian, Serbian and Slovene.

DISCLOSURE OF FEDERAL GRANTS FROM CONGRESS:

The Corporation for Public Broadcasting (CPB) is the recipient of a direct, annual, advanced federal appropriation from Congress. CPB received \$377.8 million in FY 2004, \$362.8 million in FY 2003, and \$350 million in FY 2002. In addition, CPB received a federal digital appropriation of \$49.7 million in FY 2004, \$48.4 million in FY 2003, and \$25 million in FY 2002. CPB also received a federal interconnection appropriation of \$9.94 million in FY 2004.